

Service Date: March 7, 1974

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

In the Matter of the application)	
of PACIFIC POWER & LIGHT COMPANY for)	
authority to issue 2, 500,000 shares)	DOCKET NO. 6219
of its Common Stock of the par value)	
of \$3.25 per share.)	ORDER NO. 4133

On February 12, 1974, the Pacific Power & Light Company, a corporation organized and existing under and by virtue of the laws of Maine, and qualified to transact business in the State of Montana (Hereinafter called the Applicant) , filed with the Public Service Commission of Montana, its verified application, pursuant to Sections 70-117.1 through 70-117.6, RCM 1947, requesting an order for authority to issue not to exceed 2,500,000 shares of its common stock of the par value of \$3.25 per share. The application with respect to this requested authorization is supported by exhibits and data in accordance with the rules of the Commission governing the authorization for the issuance of securities for electric or gas utilities operating within Montana.

It is alleged in the application that the Applicant corporation is a public utility as defined by Section 70-103, RCM 1947, in that it furnished electric and water service in Montana; that Applicant's principal executive office is in the Public Service Building, Portland, Oregon 97204; that its Montana offices are located in Kalispell, Montana; and that the Applicant is qualified to do business in the States of Montana, Washington, Oregon, California, Idaho and Wyoming.

The securities proposed to be issued are 2,500,000 shares of Applicant's authorized but unissued Common Stock of the par value of \$3.25 per share (Additional Common Stock).

For a description of the Additional Common Stock, reference is made to Description of Common Stock in Applicant's Registration Statement (Exhibit D).

Applicant proposes publicly to invite bids for the purchase from it of the shares of Additional Common Stock. For a description of the competitive bidding procedures proposed to be followed, reference is made to (a) the proposed Public Invitation for Bids and accompanying Statement of Terms and Conditions Relating to Bids (Exhibit F-1), and to (b) the proposed Form of Bid and accompanying Terms of Purchase (Exhibit F-2).

Information showing, both per unit and total amount, (a) the price at which the Additional Common Stock is to be offered to the public by the underwriters, (b) the discount at which it is to be sold by Applicant to the underwriters, and (c) the resulting proceeds to Applicant from the sale will be supplied promptly following the competitive bidding.

Expenses in connection with the issuance and sale of the Additional Common Stock are estimated to be \$100,000.

The estimated proceeds of \$60,000,000, less expenses of issuance and sale, to be realized from the sale of the Additional Common Stock will be used to retire short-term notes and to finance, in part, Applicant's 1974 construction program (Exhibit G). The short-term notes to be refunded have been or will be issued by Applicant (a) under its \$45,000,000 Credit Agreement, dated January 1, 1973 (Exhibit H), (b) in the form of commercial paper, or (c) pursuant to a line of credit with certain banks as authorized by the Commission's Order No. 4073, dated November 6, 1972, and the Commission's First Supplemental Order, dated October 9, 1973, in Docket No. 6151. Proceeds from the sale of these notes have been and will be used to finance a part of Applicant's construction program. As shown by Exhibit G, construction expenditures for 1974 are presently estimated at \$259,589,000. It is estimated that at the time of the sale of the Additional Common Stock, the aggregate principal amount of notes outstanding will be about \$50,000,000.

The balance of funds required to meet estimated 1974 construction expenditures is expected to come from funds to be generated internally and from short-term borrowings under Applicant's existing Credit Agreement, the sale of commercial paper, borrowings pursuant to Applicant's existing line of credit, or through a combination thereof; from short-term borrowings under a new Credit Agreement, line of credit and the sale of commercial paper for which Applicant will apply for authority to issue prior to the expiration on June 30, 1974, of its existing authority; and from further permanent financing later in 1974 of a type and magnitude not yet finally determined.

For additional information with respect to the purpose for which the Additional Common Stock is to be issued, reference is made to Applicant's Registration Statement, Use of Proceeds, Construction Program and Financing Plans (Exhibit D)

Applications for authority to issue the Additional Common Stock will also be filed with the Federal Power Commission, the Public Utility Commissioner of Oregon, the Public Service Commission of Wyoming, the Washington Utilities and Transportation Commission, the Public Utilities Commission of the State of California and the Idaho Public Utilities Commission, and, prior to offering for sale, the Additional Common Stock is required to be registered with the Securities and Exchange Commission under the Securities Act of 1933.

Having fully considered the application and the files and records pertaining thereto on file with the Commission and being fully advised in the premises, the Commission makes the following:

FINDINGS OF FACT

1. That the Applicant, Pacific Power & Light Company is a corporation organized and existing under and by virtue of the laws of the State of Maine and is qualified to transact business in the State of Montana.
2. That the Applicant is operating as a “public utility” as defined in Section 70-103, RCM 1947, and as such is engaged in furnishing electric and water service in Montana.
3. That the Commission has jurisdiction over the subject matter of said application under Sections 70-117.1 through 70-117.6, RCM 1947.
4. That the securities transaction proposed by the Applicant, as hereinafter authorized, will be for a lawful purpose and is consistent with the public interest; that same is necessary or appropriate for and consistent with the proper performance by the Applicant of service as a public utility; and that the aggregate amount of the securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of the Applicant.
5. That public notice of the filing of said application and a formal hearing thereon is not required and that the application should be approved as hereinafter ordered.

CONCLUSIONS

The Commission concludes that the application of the Pacific Power & Light Company herein should be granted as hereinafter ordered.

ORDER

NOW THEREFORE, at a session of the Public Service Commission of the State of Montana, held in its offices at 1227 11th Avenue, Helena, Montana, February 14, 1974, there being present Commissioner Ernest C. Steel and Commissioner Robert E. McTaggart, there regularly came before the Commission for final action, the matters and things in Docket No. 6219 and the Commission being fully advised in the premises;

IT IS HEREBY ORDERED that the application of the Pacific Power & Light Company for authority to issue not to exceed 2,500,000 shares of its common stock of the par value of \$3.25 per share, as set forth in the application herein, and to use the proceeds thereof for the purposes set forth in said application and as set forth herein, be, and the same is hereby approved, subject to the provisions of this order.

IT IS FURTHER ORDERED that if pursuant to its Public Invitation for Bids, at least two independent proposals for the purchase or underwriting of the Additional Common Stock are received, and one is accepted, Applicant, without further order or filing with the Commission, be specifically authorized to issue and sell the Additional Common Stock in accordance with the terms and conditions contained in this application and the exhibits hereto. Applicant will, as promptly as practicable after the opening of the proposals, file with the Commission a statement showing the names of the purchasers or underwriters, the terms of the several proposals received, the names of the persons (or in the case of a proposal by a group, of the manager of the group)

submitting the proposals and the underwriter agreement being used in respect thereto.

IT IS FURTHER ORDERED that Pacific Power & Light Company shall file with this Commission copies of all reports required to be filed with the Federal Power Commission and the Securities and Exchange Commission, under applicable rules and regulations of said Commissions as now in effect or as hereinafter amended, relating to the issuance, sale and use of proceeds from the sale of the securities herein authorized to be issued by this Commission.

Neither the issuance of securities by the Pacific Power & Light Company pursuant to the provisions of this order, nor any other act or deed done or performed in connection therewith shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed hereunder.

The foregoing Order was unanimously adopted by the Public Service Commission of the State of Montana.

DONE in open session at Helena, this 14th day of February, 1974.

ERNEST C. STEEL, Commissioner

ROBERT B . McTAGGART, Commissioner

ATTEST:

GAIL E. BEHAN
Secretary

(SEAL)